



# Regulatory Advisory

March, 2009



## **Composite Wood Products ATCM Advisory: 09-01 Applicability of the Sell-through Period for Retailers Purchasing Non-complying Composite Wood Panels**

*This regulatory advisory is time sensitive due to the approaching expiration of manufacturer, importer, and distributor sell-through periods for composite wood panels. **Retailers may sell non-complying composite wood panels until December 31, 2009 (for MDF, PB, and HWPW-VC), and until June 30, 2010 (for HWPW-CC).***

### **Introduction:**

This advisory is primarily directed to retailers of composite wood products including hardwood plywood (HWPW), medium density fiberboard (MDF), and particleboard (PB). This advisory will explain what provision(s) apply to retailers that purchase, sell, supply, or offer for sale non-complying composite wood panels to California customers.

### **Background:**

In 2007, the California Air Resources Board (CARB) approved an airborne toxic control measure (ATCM) to reduce formaldehyde emissions from composite wood products. The regulation requires that composite wood panels and finished goods (i.e., cabinets, furniture, etc.) be made with HWPW, MDF, and PB that meet the applicable formaldehyde emission limits. On January 1, 2009, the ATCM's Phase 1 emission standard became effective for HWPW with veneer core (HWPW-VC), PB, MDF, and thin MDF (thickness 8 millimeters or less). The Phase 1 emission standard for HWPW with composite core (HWPW-CC) will become effective on July 1, 2009. The increasingly stringent Phase 2 standards will take effect between 2010-2012. The ATCM applies to manufacturers, distributors, importers, fabricators, and **retailers** that manufacture, sell, supply, or offer for sale composite wood panels and/or finished goods to California.

This advisory focuses on the ATCM's "sell-through" provisions for retailers. "Sell-through" periods allow products manufactured before the effective date of the Phase 1 or Phase 2 standard to be sold for a specified time period after the effective date, even though the products do not comply with the standard (non-complying products). The sell-through period allows time for retailers to clear their inventory of old products that do not comply with a new standard. After the end of the sell-through period, all products (i.e., panels and finished goods) sold by the retailer must

comply with the standard regardless of the date on which the products were manufactured.

**What do retailers need to know about the sell-through period?**

While the Phase 1 emission standards went into effect on January 1, 2009, the ATCM allows a sell-through period to provide a smooth transition to the new emission standards.

Retailers of composite wood panels have 12 months after the effective dates of the Phase 1 or Phase 2 emission standards to sell any non-complying panels manufactured before the effective date. Therefore, for the Phase 1 emission standards that went into effect on January 1, 2009, retailers have until December 31, 2009, to sell any non-complying panels that were manufactured before January 1, 2009. Retailers should be aware that manufacturers and importers of panel products have a sell-through period for non-complying composite wood products of 3 months or until March 31, 2009. Distributors of composite wood products have 5 months, or until May 31, 2009, to sell their non-complying products.

Example 1: A retailer has inventory of non-complying particleboard (PB) panels manufactured before January 1, 2009. Although these PB panels do not comply with the Phase 1 emission standard, they may be sold and supplied until December 31, 2009. They may not be sold, supplied, or offered for sale in California after this date.

Example 2: Retailers may purchase non-complying composite wood panels during the sell-through period from a **manufacturer or importer** during their 3 month sell-through period; or from a **distributor** during their 5 month sell-through period for non-complying composite wood panels. Thus, a retailer may purchase non-complying HWPW panels from a distributor on or before May 31, 2009, or from a manufacturer or importer on or before March 31, 2009, and sell these products until December 31, 2009.

Retailers may sell, supply, or offer for sale finished goods containing non-complying composite wood for up to 18 months after the applicable effective date of the emission standard.

**For more information**

Please visit our website at: <http://www.arb.ca.gov/toxics/compwood/compwood.htm> or please contact Ms. Angela Csondes at (916) 445-4448 (or [acsondes@arb.ca.gov](mailto:acsondes@arb.ca.gov)).